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ABSTRACT

This curriculum guide gives a brief review of the relation of business to the community and an introduction to problems in organizing a small business. These problems include basic long-range decisions: type of financing, need for the business, and method of financing. The document also focuses on the more immediate problems of location, housing, personnel, equipment, layout, records, and promotion of the business. The course also includes an overview of problems of ongoing operation: management, supervision, governmental obligations, finance, production, marketing, public relations, and survival factors. It provides an outline of the objectives of the course and course content, suggested teaching procedures, evaluative instruments used, and a list of resource materials for students and teachers. Included are an appendix with a nine-page glossary and a fact sheet for small business owners. (Author/BP)

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AUTHORIZED COURSE OF INSTRUCTION FOR THE QUINMESTER PROGRAM

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

SMALL BUSINESS MANAGEMENT

Business Education—7739.11 (New: 7604.11)

CE 002229

DADE COUNTY PUBLIC SCHOOLS

DIVISION OF INSTRUCTION • 1971

ED 071407

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SMALL BUSINESS MANAGEMENT

7739.11 (New: 7604.11)

Business Education

Written by Felix J. McCool
And Approved by the Business Education Steering Committee
For Quinmester Courses

for the

DIVISION OF INSTRUCTION
Dade County Public Schools
Miami, FL 33132
1972

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I. COURSE TITLE—SMALL BUSINESS MANAGEMENT

II. COURSE NUMBER—7739.11 (New: 7604.11)

III. COURSE DESCRIPTION

A. Synopsis

A brief review of the relation of business to the community and an introduction to problems in organizing a small business. These problems are basic long-range decisions—type of organization, need for the business, method of financing—and the more immediate problems of location, housing, personnel, equipment, layout, records, and promotion of the business. The course also includes an overview of ongoing operating problems: management, supervision, governmental obligations, finance, production, marketing, public relations, and survival factors.

B. Subject Status—Elective; open to all students

C. Occupational Relationships

Government manager	Building and loan officer
Marketing analyst	Stock broker
Personnel manager	School manager
Research statistician	Small retail store owner
Bank manager	Owner of repair or other service shops
EDP systems analyst	Operator of recreational business
Public relations representative	

D. Textbook

Several resources should be available within the classroom; one of the state-adopted textbooks in business management or a book of the department's choosing may be issued to each student.

E. Rationale

The desire of many men and women to "be their own boss" and their ineptness in handling business situations has caused a high mortality rate in the many small businesses started annually in these United States. Small businesses are needed in the American economy and young people need to be aware of opportunities in this area and of ways to capitalize on them. In this course, the advantages and problems of ownership arising from original organization and from purchase of an ongoing business will be considered.

IV. COURSE ENROLLMENT GUIDELINES

A. Prior Experiences

No prior courses are required; however, students with a good background in business mathematics, bookkeeping, economics, and government will have a greater appreciation for this course. Students without this background will have to do extensive outside work.

IV. COURSE ENROLLMENT GUIDELINES, Continued

B. Pretest
A test may be constructed (based on performance objectives) to determine the attainment level of students in topics covered in this course in order to plan activities for the total class, for small groups, and for individual students.

V. COURSE OF STUDY PERFORMANCE OBJECTIVES

Upon completion of the course, the student will be able with 80 percent accuracy to—

1. make management decisions for starting a small business by correctly placing checks on a checksheet about small business management;

2. estimate monthly costs of operation and decide on an adequate insurance program from information given in a hypothetical situation;

3. name four basic types of businesses and define each;

4. select one of the basic businesses, name the kind of (small) business, and
   a. describe a suitable building in terms of location, size, construction, and ownership,
   b. determine ample parking facilities,
   c. make a rough layout for different processes and grouping,
   d. describe departments for storage, sales, and production (if appropriate),
   e. show sound judgment in making plans for purchasing merchandisable goods and/or plans for a facility for service to the public,
   f. answer given questions to demonstrate that he can protect his records, control inventory, interpret financial statements, and make management decisions involving personnel, and
   g. describe an employment program which puts the right man in the right position.

5. determine whether he should buy an existing business or begin a new business from given information about costs, up-to-date stock, and hired or contracted workers;

6. name at least four laws with which he must comply and at least four laws which protect him as a businessman;

7. answer at least five questions on interpreting a given market research report;

8. evaluate three given management tools and determine their use in the small business selected in Objective No. 4;

V. COURSE OF STUDY PERFORMANCE OBJECTIVES, Continued

9. price ten given commodities and services by using marketing aids in small business administration through Federal Government research pamphlets;

10. use a markup-markdown table to determine adequate pricing of given items;

11. give a minimum of three reasons why some business fail; and

12. provide appropriate definitions for at least 70 percent of a given list of business terms.

VI. COURSE CONTENT

A. The Business Scene in America
   1. The purpose and nature of business
   2. Legal and moral obligations of business to society
   3. Business and the economic system
   4. Business and government

B. Basic Considerations in Starting a Small Business
   1. Primary decisions
      a. Determining the kind of business: single proprietorship, partnership, corporation
      b. Financing—investing and re-investing
      c. Evaluating the demand for a product or service
      d. Deciding on the type of operation
         (1) Manufacturing
         (2) Merchandising
         (3) Service business
         (4) Advertising
         (5) Other
   2. Secondary decisions
      a. Location
      b. Housing
      c. Equipment—purchased or leased
         (1) Operations
         (2) Office
         (3) Transportation
      d. Layout
      e. Records
         (1) Audit controls
         (2) Inventories
      f. Personnel
         (1) Recruiting
         (2) Training
         (3) Equitable basis for wages and salaries
      g. Promotion of the business

VI. COURSE CONTENT, Continued

C. Operation of a Business
1. Managerial tools and techniques
a. Internal business structure information
b. External business structure information
c. Organizational structure
d. Business administration and organization
2. Supervisory activities
a. Transportation—incoming and outgoing
b. Credit
c. Collections
d. Record keeping and interpretation of business statistics
e. Personnel—evaluation of job performance, collective bargaining
f. Communications
g. Purchasing
3. Government regulations and controls
a. Taxes
b. Licenses
c. Zoning
4. Finance
a. Business promotion
b. Long-term finance
c. Short-term finance
5. Production
a. Nature of modern production
b. Plant location and operations
c. Production methods and control
d. The role of labor-management relations
6. The marketing process
a. Wholesale trade
b. Retail trade
c. Advertising and sales
d. Purchases
e. Storage
7. Survival factors
a. Management control
b. Insurance
c. Legal advice
8. Public relations
a. Finding customers
b. Keeping customers
c. Ethical services to the community

VII. SUGGESTED PROCEDURES, STRATEGIES, AND LEARNING ACTIVITIES

A. Introduction

A brief quiz on the first or second day can determine the amount of time that needs to be spent on the introduction. Students that already know a great deal about aspects of business in America might develop term papers on topics related to export-import business, current efforts of governmental agencies to

influence business, the relationship of businessmen's attitudes to the nation's economic security, or similar topics—and be excused from all or most of the class discussion on the introduction. These same students may present a skit or panel discussion based on their investigations.

B. Creating Student Interest

This course will be more productive if students are encouraged to find answers to questions through personal investigation in the literature and in local businesses. The teacher should contact the local office of the Small Business Administration to obtain any new information pertaining to local conditions and to request copies of their many free publications that are pertinent to this course.

In order for a student to have an interest in business, he must be shown its close relationship to his everyday activities. His consumption function, spending of money, making economic choices with limited funds, and the need to budget his money will aid him in finding a relationship to the world of free enterprise. Decisions that he will make while still a student will influence him in making correct decisions when starting a business.

C. The Community

Involvement of the business community is important to the success of this course. Retired businessmen, experts in their fields, will be glad to visit the class. See the Appendix for Fact Sheet for Small Business Owners.

D. Vocabulary

A thorough understanding of terminology pertinent to the operation of a small business will be facilitated through the reproduction of the Glossary located in the Appendix of this course of study.

E. Individualized Instruction

This course lends itself extremely well to individualization of instruction. Therefore, it is recommended that the teacher prepare assignment sheets and/or learning activity packages so that the student will solve various case problems involving small business operations. The textbooks and pamphlets included in Sections IX and X contain many ideas that can be converted into individual or group activities.

VIII. EVALUATIVE INSTRUMENTS

A. Pretest

It is presumed that the student has had mathematics through the 9th grade and is equipped with the fundamentals necessary for this and related business courses. However, the teacher will have to assess the understandings, skills, and facts already known by each student in respect to the subject matter of this course. Therefore, a pretest is desirable in order to determine individual placement within this course. This pretest can be constructed easily from the information stated in Section V, Course of Study Performance Objectives.

B. Unit Tests

During the nine weeks, the teacher may wish to determine each student's progress by means of small unit tests. Study questions in textbooks and workbooks, commercially prepared tests, a course paper, and short quizzes on the content of a movie or field trip may all be used by an imaginative teacher to evaluate what has been learned and the concepts and understandings that need reinforcement.

C. Final Evaluation

This test should be a parallel of the pretest and should therefore measure accomplishment of all the Course of Study Performance Objectives.

IX. RESOURCES FOR STUDENTS

A. Textbooks

Antrim, William and Dorr, Eugene. Advertising. New York: Gregg Division of McGraw-Hill Book Co., 1970.

Buckner, Leroy and Dorr, Eugene L. Customer Services. New York: Gregg Division of McGraw-Hill Book Co., 1971.

Ely, Vivian K. and Dorr, Eugene L. Organization for Marketing. New York: Gregg Division of McGraw-Hill Book Co., 1971.

Joint Council on Economic Education. Introduction to Economics and Business Enterprise. New York: Gregg Division of McGraw-Hill Book Co., 1972.

Kelley, Pearce C.; Lawyer, Kenneth; and Baumback, Clifford M. How to Organize and Operate a Small Business, 4th ed. Englewood Cliffs: Prentice-Hall, Inc., 1968.

Pendery, John A. and Fuller, Robert W. Clerical Payroll Procedures, 6th ed. (Text-workbook). Cincinnati: South-Western Publishing Co., 1970.

IX. RESOURCES FOR STUDENTS, Continued

A. Textbooks, Continued

Pintel, Gerald and Diamond, Jay. Retailing. Englewood Cliffs: Prentice-Hall, Inc., 1971.

Piper, Edwin B. Merchandising Mathematics. (Text-workbook). Cincinnati: South-Western Publishing Co., 1967.

Rosenberg, R. Robert and Bonnice, Joseph G. Business Law/30. New York: Gregg Division of McGraw-Hill Book Co., 1971.

Shilt, Bernard A.; Carmichael, D. L.; and Wilson, W. Harmon. Business Principles and Management, 5th ed. Cincinnati: South-Western Publishing Co., 1967.

Szweda, Ralph A. Information Processing Management. Philadelphia: Auerbach Publishers, Inc., 1972.

Thistlethwaite, Robert L. Payroll Recordkeeping, 7th ed. Gregg Division of McGraw-Hill Book Co., 1965.

Tonne, Herbert A.; Simon, Sidney I.; and McGill, Esby C. Business Principles, Organization, and Management, 2nd ed. New York: Gregg Division of McGraw-Hill Book Co., 1963.

Tyler, Elias S. and Corenthal, Eugene J. Materials Handling—Traffic and Transportation. New York: Gregg Division of McGraw-Hill Book Co., 1970.

B. Pamphlets

SCORE. Fact Sheet for Small Business Owners. (See Appendix)

U. S. Government, Small Business Administration, Miami Office, 912 Federal Office Building, 51 S.W. First Avenue, Miami, FL 33130. Phone: 350-5525

The ABC's of Borrowing
Activities Corps of Executives
Advice for Persons—Investments
Delegating Work and Responsibility
Discover and Use Your Public Library
Drugstores, Small Business Bibliography
Check List for Going into Business
Fact Sheet for Small Business Owners
Financing Problems of Small Manufacturers
Guides for Profit Planning
Hobby Shops
Handling the Problem Employee
Household Appliances and Radio-TV, Sales and Service
How to Buy or Sell a Business
Management and Technical Assistance

IX. RESOURCES FOR STUDENTS, Continued

B. Pamphlets, Continued

Management Assistance
Measuring the Performance of Salesmen
Painting and Wall Decorating
Pet Shops
Pointers on Scheduling Production
Pricing Your Services for Profit
Publications for Sale
Publications, Free Management Assistance
Ratio Analysis for Small Business
Retail Florist
Small Business Administration, What It Does
Service Corps of Retired Executives
Sizing up Small Business Locations
A Town on the Move
Trucking and Cartage
Wholesaling

C. Workbooks and Practice Sets

Student workbooks, practice sets, and forms are provided by most of the publishing companies for their respective textbooks (Section IX, A).

Archer, Fred C.; Stewart, Jeffrey R., Jr.; and Seufer, Elizabeth. Office Cashiering Practice Set. Gregg Division of McGraw-Hill Book Co., 1970.

Archer, Fred C.; Stewart, Jeffrey R., Jr.; and Seufer, Elizabeth. Stock Control Practice Set. Gregg Division of McGraw-Hill Book Co., 1969.

Dome Educational Aids, Inc., 480 Benefit Street, Providence, Rhode Island 02903, has practice sets for weekly or monthly systems of single entry record keeping; also a book of forms that may be purchased at a local Sears, Roebuck store.

X. RESOURCES FOR TEACHERS

A. Books

Teachers' editions, manuals, and keys are available for most of the books listed in the "Resources for Students" section of this outline.

Bellows, Roger M. Psychology of Personnel in Business and Industry, 5th ed. Englewood Cliffs: Prentice-Hall, Inc., 1965. (pp. 32-50, 251-307)

Brown, Leland. Communicating Facts and Ideas in Business. Englewood Cliffs: Prentice-Hall, Inc., 1970. (pp. 1-44, 400-443)

X. RESOURCES FOR TEACHERS, Continued

A. Books, Continued

Business Education Yearbook, annual. National Business Education Association, 1201 Sixteenth Street, N.W., Washington, DC 20036.

Crabbe, Ernest H.; De Brum, S. Joseph; and Haines, Peter G. Methods of Teaching General Business. Cincinnati: South-Western Publishing Co., 1968.

Glos, R. E. and Baker, Harold A. Introduction to Business, 6th ed. Cincinnati: South-Western Publishing Co., 1967.

Hastings, Paul G. Introduction to Business. New York: Gregg Division of McGraw-Hill Book Co., 1961.

Mauser, Ferdinand and Schwartz, David J. American Business, an Introduction, 2nd ed. Chicago: Harcourt, Brace, & World, Inc., 1970.

Musselman, Vernon A. and Hughes, Eugene H. Introduction to Modern Business, 5th ed. Englewood Cliffs: Prentice-Hall, Inc., 1969.

Teaching Business Education in the Secondary Schools, Bulletin 11. Tallahassee: Florida State Department of Education, 1959.

Terry, George R. Office Management and Control, 4th ed. Homewood, IL: Richard D. Irwin, Inc., 1965.

Tonne, Herbert A. Principles of Business Education, 3rd ed. New York: Gregg Division of McGraw-Hill Book Co., 1970.

Tonne, Herbert A.; Popham, Estelle L.; and Freeman, M. Herbert. Methods of Teaching Business Subjects, 3rd ed. New York: Gregg Division of McGraw-Hill Book Co., 1965.

B. Pamphlets

Carmichael, John H. "The 1969 Research-Award Study—An Analysis of Activities of Middle Management Personnel in the Retail Trade Industry with Implications for Curriculum Development in Post-Secondary Institutions." The Delta Pi Epsilon Journal, May, 1970 (pp. 1-13).

McNaughtin, Wayde L. Business Organization. Totowa, NJ: Littlefield, Adams and Co., 1968.

X. RESOURCES FOR TEACHERS, Continued

B. Pamphlets, Continued

Visual Aids for Business and Economic Education, Monograph 92. Cincinnati: South-Western Publishing Co., 1969.

Watkins, George S. The Management of Personnel and Labor Relations, 2nd ed. New York: Dodd Publishing Co., 1960.

C. Films, 16mm

The following films are available to Dade County teachers from Instructional Materials Catalog, Dade County Public Schools:

Bill of Rights in Action	1-14328
Bookkeeping Occupation Opportunities	1-4236
The Computer Revolution	1-14241
Formulas in Mathematics	1-05449
How Do You Count?	1-3927
If an Elephant Answers	1-30769
The Managerial Revolution	1-31794
Motivation Theory (for teachers)	1-31796
It's Your Decision, Parts 1 and 2	1-30774
People are Different and Alike	1-05771
Ratio, A Way of Comparing	1-05867
Let's Face It, FPLA	1-10211
Transportation Revolution, America's Growth	1-4210
Federal Reserve Bank and You	1-31161
Money on the Move	1-31173

D. Periodicals

Balance Sheet, The. Cincinnati: South-Western Publishing Company. Monthly, October through May.

Business Education Forum. Washington, DC: National Business Education Association. Monthly, October through May.

Business Education World. New York: Gregg Division of McGraw-Hill Book Company. Five issues each school year.

Journal of Business Education. East Stroudsberg: Robert C. Trethaway. Monthly, October through May.

E. Other Resources

1. Various city newspapers
2. Better Business Bureau
3. Chamber of Commerce
4. Engineer Contractors Association
5. Small Business Administration
6. Local businesses (usually will supply forms, facilities for field trips, etc.)

APPENDIX

GLOSSARY

account	A bookkeeping form that is used to sort and summarize the changes caused by business operations
accounts receivable	Debts or money owed to the business
air parcel post	Parcel post (special merchandise rate) sent by airmail
agency	A legal relation in which one person acts for and in place of another
agent	One who is employed and authorized to represent and act for another
assessments (insurance)	Extra charges to policyholders to make the income of the insurance company equal its expenditures
assets	Property of the business (anything of value)
balance sheet	A financial statement of a business showing the assets, liabilities, and net worth
Blue-Sky Laws	Laws designed to protect investors from fraudulent schemes for selling securities
bookkeeping	The systematic recording of the financial operations of a business or an individual
bookkeeping equation	A fundamental bookkeeping concept that states assets = liabilities + proprietorship (A = L + P)
broker	An agent who specializes in buying or selling for other people without actually having possession or title to the goods
budgets	Predicted incomes and expenditures usually based on past experience
business promotion letter	A letter used by businesses in attempting to secure new customers
buying motives	Why people buy such as pride, amusement, affection, etc.
buying on specification	The policy of furnishing the manufacturer with a detailed description of the product being purchased

GLOSSARY, Continued

CL	Carload of freight
COD (C.O.D.)	Collect on delivery; payment is made in cash by the buyer when the goods are delivered
casualty insurance	Direct loss insurance coverage
cease and desist order	A court order prohibiting a practice that a person or business may be engaged in
class rate (transportation)	Applies to a related group of goods on which a specific rate is charged
clearance sale	A sale to dispose of old items before they become unsalable
common carrier	An establishment engaged in the public business of transportation
common stock	A share in a corporation; the owners of such share in the profits of the business after all other dividends have been paid
competitive weakness	The inability to operate successfully in a competitive market
consignee	The receiver of shipped goods
consignor	The person or business that ships the goods
consolidated delivery service	The same delivery service delivers merchandise to several businesses
contract of hire	A relationship of an employer and an employee that is either expressed or implied in which one person agrees to work for another in return for compensation of some sort
convertible bonds	The holder can exchange these bonds for stocks (if desired)
corporation	An association of individuals (owning shares) organized under a state charter for business purposes
corporation bond	A long term written promise to pay a definite sum of money at a specified time

GLOSSARY, Continued

cost of merchandise	The delivered price; includes the cost of getting the merchandise in the store (wholesale price, storage, transportation, etc.)
credit memorandum	A business form whereby the seller gives the buyer credit for returned or damaged goods
debit memorandum	A business form prepared by the buyer which indicates that goods purchased are damaged
demand	How many products will be bought at a particular time and place
direct marketing	The producer markets the goods directly to the consumer without using middlemen
discontinued businesses	Closure of any kind
dividends	The portion of business profits that are distributed to stockholders of the corporation
economics	A body of knowledge which relates to the production of goods and services that satisfy human wants and needs
employment requisition	A request, usually within the same company, to the employment department to secure a new employee
entry	Each record in a journal
equity	The difference between assets and liabilities
fair trade	States are permitted to pass laws allowing producers and distributors to fix the price of branded or labeled merchandise
fidelity bond	Insurance against dishonesty of employees or agents
financial loss	Loss of all or part of money invested
fire insurance	Protection against the loss of items susceptible to fire
fraud	Deceit in money matters such as false financial statements or irregular disposal of assets

GLOSSARY, Continued

garnishment	Attachment of a percentage of a person's wages to pay off a debt
general journal	A book of original entry that is used to record entries that cannot be recorded in special journals
goodwill	An intangible asset of a business, usually based upon the good reputation of a partner or shareholder
infidelity of employee	Dishonesty of an employee or agent of a company
insurer	The insurance company issuing an insurance policy
interstate commerce	Business operations and transactions that <u>are not</u> completed within the confines of one state
intrastate commerce	Business operations and transactions that <u>are</u> completed within the confines of one state
involuntary bankruptcy	Forced bankruptcy by creditors
job specifications	The nature of work done in a particular job or position
journal	A book of original entry where all records are first entered
labor turnover	The percentage of a company's labor force that have to be replaced for various reasons over a given period of time
leaders	Items sold at markups much below the usual ones
liabilities	Debts of the business (anything owed)
liability insurance	Protection against loss due to the personal injury of customers and other persons on company premises
loan	Borrowed money
long term capital	Capital obtained by the business through the issuance of bonds, long term notes, or mortgages

GLOSSARY, Continued

long term credit	Credit extended to a customer for a year or more, usually paid back on an installment basis
loss leader	An item sold below its actual cost
managerial ability	The degree of competence exhibited by someone at the managment level
margin	A term used to indicate the difference between the selling price and the cost of the merchandise
merchandise approach	A positive way to greet a customer in order to stimulate his interest in a product, usually a comment about the goods being examined by the customer
merchandise turnover	The number of times a merchant will buy and sell all the merchandise in his store during the year
monopoly	Control of the price or the production of some commodity or service by one company
morale	The state of mind which reflects employees' attitudes toward their jobs, fellow workers, and employer
motion study	The study of all movements made by a worker in performing his part of a business operation, usually done with a goal of improving the overall efficiency of a task
mutual insurance company	An insurance company in which the policy-holders are the owners
national market	The selling of products in most or all states
net profit	The difference between the sales and all the costs and expenses of the business over a given period of time
net 30 days	Purchase must be paid for in 30 days
on-the-job training	An employee is placed on a new job and, in effect, practices the job under close supervision until he is skillful enough to do the job with very little or no supervision

GLOSSARY, Continued

open line of credit	An arrangement between a company and a customer to permit regular borrowing and repaying
opening entry	The entry that records the information shown on a beginning balance sheet
operating expenses	Costs incurred in operating a business
par value	The value of each share of stock at the time of issue
personnel management	That aspect of management which is concerned with obtaining and effectively utilizing human resources
physical inventory	A personal count and listing of every item in stock made once or twice a year
piggyback	Truck or trailer placed on railroad cars and delivered
policyholder	Business or person purchasing insurance
preferred stock	Dividends are distributed to preferred stockholders before owners of common stock
premium (insurance)	The payment on an insurance policy
production	The creation of a product for use
production control	Controlling factors of labor, material, layout, and equipment
proprietorship (net worth)	The difference between the total assets and the total liabilities
proprietory capital	An owner's investment in the business
prospectus	A notice, circular, letter, or any communication that offers a security for sale
quality control	An inspection system that assures that products measure up to requirements
quantity discount	A discount given to encourage customers to buy in large quantities
regional markets	Markets that take in more than one state

GLOSSARY, Continued

repossessed	Goods taken back by the seller when payments are not made
retail credit	Credit extended by retailers to customers
retailer	One who sells to the consumer (middleman)
revolving credit	Credit extended to a customer which allows him to maintain a rather large balance due while making small monthly payments, usually based on a percentage of the balance due
risk	Possibility of loss or failure
sales agent	A salesman employed by a producer to sell the product to the middlemen
sales promotion manager	A person specializing in planning and conducting special sales
scheduling process	A method of scheduling production and figuring cost
self service	The customer is allowed to select the goods and take to the cashier for payment
selling by mail	Use of the mail service which requires much advertising; most successful in the past in rural areas where the consumer found it difficult to travel to retail stores
set up	The product is delivered in an assembled state
shopping centers	Stores congregated into a group for service to the community
shopping plaza	A suburban shopping center
shopping service	A person or group organized as a telephone selling service
short term capital	Borrowed capital that must be paid back in a relatively short period of time
short term credit	Credit extended on account for a short period of time, usually less than one year
sight draft	A draft payable upon transportation and receipt of goods on sight

GLOSSARY, Continued

special journal	A book of original entry used to record only one type of entry such as sales, purchases, cash payments, cash receipts, etc.
stimulative sale	A sale t-at has as its primary purpose increasing sales by pushing new goods or those that seemingly have not been well received by customers
stock insurance company	Corporation type of insurance company
suggestion selling	A method of selling in which the salesman attempts to sell merchandise by suggesting associated items that will complement the primary item being considered by the purchaser
surety bond	A device for extending the use of the surety name given to assure that a contract will be fulfilled as specified
terminal service	The railroad car containing merchandise is delivered to a track owned by the receiving business or to a track that can be reached by a truck
three C's	Character, capacity, and capital; the three vital requisites in obtaining credit
trade channels	Various routes taken by goods in going from the producer to the consumer
trade discount	A special deduction from the list price
trademarked merchandise	Goods that are marked with the manufacturer's or distributor's special mark or name
traffic count	A survey usually taken by several companies to determine the number of vehicles or people that pass a specific location at a specific time
voluntary bankruptcy	The owner petitions the court for a proper release from debts incurred that cannot possibly be repaid, which usually results in the liquidation of the business in order to settle at least a portion of all debts
want slip	A form is initiated by an employee when a customer requests an item that the store does not have

GLOSSARY, Continued

warranty	The buyer is given a promise by the seller that goods are of a certain quality or will perform in a specified manner
wholesaler	The merchant who supplies the retailers and others who buy in large quantities
zoning restrictions	In certain zones or districts of a county or city, only certain types of businesses or dwellings are allowed

FACT SHEET FOR SMALL BUSINESS OWNERS*

There are many basic factors you need to be familiar with prior to starting your business. These details are oftentimes time-consuming and difficult to obtain. We trust that the following information will be useful to you in starting your own business.

Licenses

Every legal business in Dade County and its 27 different municipalities must have proper business licenses. The following is a step-by-step procedure to obtain a business license in the City of Miami. The procedure is basically the same for the other 26 cities:

1. You must obtain a CERTIFICATE OF OCCUPANCY from the Zoning Department, Dinner Key, if the building you will occupy has not housed a similar business for the past six months. This is to insure your location as being properly ZONED for your particular type of business and conforms to all the building codes.

2. After you have received your CERTIFICATE OF OCCUPANCY, the City of Miami Licensing Department, 46 West Flagler Street, will issue your CITY OCCUPATIONAL LICENSE.

3. The Dade County License Department, 73 W. Flagler Street, Room 138 (Courthouse) - will issue you a STATE AND COUNTY OCCUPATIONAL LICENSE - AFTER you have obtained your city license.

4. For more information and details, contact the City of Miami License Department, telephone number 377-5501, or the Dade County License Department, telephone number 373-4441.

5. Any business dealing in foods must have a permit from the Dade County Health Department, 1350 N. W. 14th Street, telephone number 377-0341.

Employee/Employer Taxes

As an employer, you will be responsible for withholding INCOME TAX from the wages of your employees, withholding of employee and payment of the employer SOCIAL SECURITY TAX, and payment of tax under the Federal Unemployment Tax Act (for UNEMPLOYMENT INSURANCE). For further information on Social Security, call 350-5131.

*This fact sheet is prepared by Dade Chapter No. 29, the Service Corps of Retired Executives (SCORE) as a service to operators of small businesses.

The Internal Revenue Service has prepared CIRCULAR E - EMPLOYER'S TAX GUIDE to explain and assist you in paying these taxes. SCORE Counselors emphasize the importance of accurate, honest, efficient collection and payment of employee/employer taxes. In handling these taxes, keep sight of one important point—these monies are not yours to use as working capital until the end of a given quarter. The IRS is very strict about this. You should contact the Internal Revenue Service for further information on Federal Taxes. Call 350-5311.

Internal Revenue provides two very informative services to small business owners. First, they have a "Mr. Businessman's Kit" which contains all tax forms and schedules. An agent will explain each of these to you and answer your questions. They have available for sale a TAX GUIDE FOR SMALL BUSINESS and the cost is 40 cents.

State Sales Taxes

The State of Florida collects a 4 percent retail sales tax. You must register with the State to collect this tax and the cost is $1.00. Tallahassee will then send you a Sales Tax number and instructions on the collection procedures. For further information, call the State Sales Tax Office in Miami, 377-3511. They are located at 1350 N. W. 12th Avenue.

Fictitious Name Act

If your business uses or will use any name other than your own, you must register under the Fictitious Name Act. This does not, however, apply to corporations. Any name other than your own name is a fictitious name. You should check with the Recording Department of the Clerk of Circuit Court, Dade County Court House, Room 135, for instructions. Telephone number 373-6671.

Bulk Sales Law

If you plan to purchase an established business, you, as the purchaser, must comply with the Bulk Sales Law. It is required that at least five days before completion of the purchase, each creditor must be notified personally of the proposed sale. In counties of over 200,000 population, it is necessary to publish this intent to purchase one time, not less than seven days prior to completion of said purchase. Printed forms are available at the Miami Review, telephone 377-3721. Consult your attorney concerning this procedure.

State Unemployment Insurance Tax

This tax is applicable to both new and existing businesses and is assessed at the rate of 2.7% on the first $3,000 wages of each employee. This tax applies only to firms that have 4 or more employees on 20 different weeks of the calendar year. Forms are available at 1350 N. W. 12th Avenue, Room 273, Miami, telephone 379-6466. They must be filed with the Florida Industrial Commission, Unemployment Compensation Division, Tallahassee, Florida.

Workmen's Compensation

If you have 3 or more employees, you must carry compensation insurance. Information can be secured from the Florida Industrial Commission, Workmen's Compensation Div., 1350 N. W. 12th Ave., Room 462, Miami, FL 33125, telephone 373-6321.

Directory of Further Sources of Information

Secretary of State South Florida Office 3399 Ponce de Leon Blvd. Coral Gables, FL 33134 444-7405	For information on business incorporation procedures.
Better Business Bureau of South Florida 25 S. E. Second Avenue Miami, FL 33131	Excellent source for checking supplies, customers, registering complaints, etc.
Credit Bureau of Greater Miami 160 N. E. Fourth Street Miami, FL 33132 371-3461	For credit reporting and collection services.
Dun & Bradstreet 2070 N. W. Seventh Street Miami, FL 33125 642-4200	Publish "Key Ratios for Small Business."
National Cash Register 2915 Biscayne Boulevard Miami, FL 33137 377-8461	Also publishes excellent business ratio information, "Expenses in Retail Business."
U.S. Department of Commerce City National Bank Building 25 W. Flagler St., Rm. 821 Miami, FL 33128 350-5267	Can be of assistance in domestic and foreign trade. Sell SBA "for sale" publications

Trade Associations and Public Libraries - contains a wealth of information on your particular business. Consult your telephone directory for your nearest library. The library should have a copy of the National Trade and Professional Associations of the United States, published by Columbia Books, Washington, D. C. This is a ready source of business and trade associations for your particular business.

Any firms listed in this Directory are mentioned only because of the value of their printed information. Their mention is not intended to be construed as a recommendation or approval of Small Business Administration for their salable services.